

UNITED STATES OF AMERICA
Before The
OFFICE OF THRIFT SUPERVISION
DEPARTMENT OF THE TREASURY

In the Matter of

JOHN J. RYAN,

Former Chairman of the
Board of Directors of

Greater Boston Bank,
A Cooperative Bank,
Brighton, Massachusetts.

Re: NE95-10

Dated: September 5, 1995

STIPULATION AND CONSENT TO ISSUANCE OF AN
ORDER TO CEASE AND DESIST FOR AFFIRMATIVE RELIEF

This Stipulation and Consent to Issuance of an Order to Cease and Desist for Affirmative Relief ("Stipulation") is made by John J. Ryan ("Ryan"), former Chairman of the Board of Greater Boston Bank, a Cooperative Bank, Brighton, Massachusetts ("Greater Boston"), and is accepted by the Office of Thrift Supervision of the United States Department of the Treasury ("OTS"), acting by and through its Regional Director for the Northeast Region.

WHEREAS, OTS, on the basis of current information, is of the opinion that grounds exist to initiate an administrative proceeding against Ryan pursuant to 12 U.S.C. § 1818(b)¹; and

1. All references to U.S.C. are as amended, unless otherwise specified.

WHEREAS, Ryan, without admitting or denying that said grounds exist, desires to cooperate with OTS and to avoid the time and expense of such administrative litigation with OTS; and

WHEREAS, without either admitting or denying that OTS's findings, conclusions or opinions exist, except those as to Jurisdiction (set forth in paragraph 2 below), which are admitted, Ryan hereby stipulates and agrees as follows:

1. Consent. Ryan consents to the issuance by OTS of an Order to Cease and Desist for Affirmative Relief ("Order") in consideration of the settlement, compromise and resolution of all potential administrative claims and charges that have been or might be asserted by OTS against Ryan arising out of his position as Chairman of the Board of Directors of Greater Boston.

2. Jurisdiction. Pursuant to the following, Ryan admits the jurisdiction of OTS over him and over the subject matter of this action:

a. Prior to the enactment of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 ("FIRREA"), Greater Boston was an "insured institution," as defined by 12 U.S.C. § 1724 (1988), and after the enactment of FIRREA, became a "savings association" as defined by 12 U.S.C. § 1813(b)(1);

b. Prior to the enactment of FIRREA, Ryan was a "director, officer, employee, agent or person participating in the conduct of the affairs" of Greater Boston, within the meaning of 12 U.S.C. §§ 1730(e) and (g) (1988), and after the enactment of FIRREA, became an "institution affiliated-party" of Greater Boston as that term is defined in 12 U.S.C. § 1813(u);

c. Prior to the enactment of FIRREA, pursuant to 12 U.S.C. §§ 1725 and 1730 (1988), the Federal Home Loan Bank Board ("FHLBB"), as operating head of Federal Savings and Loan Insurance Corporation ("FSLIC"), was the regulatory agency with jurisdiction over "insured institutions";

d. Upon the enactment of FIRREA, pursuant to 401(f) of FIRREA, 12 U.S.C. § 1437 note, OTS succeeded to the interests of FHLBB with respect to the supervision and regulation of "insured institutions," and thus, pursuant to 12 U.S.C. § 1813(q), OTS is the "appropriate Federal banking agency" with jurisdiction over Greater Boston, and all of its "directors, officers, employees, agents or persons participating in the conduct of the affairs," and "institution-affiliated parties."

3. Findings and Conclusions. Based upon its formal investigation in this matter, and solely for purposes of this Stipulation and the related Order, OTS finds and concludes as follows:

a. Ryan has served on Greater Boston's Board of Directors ("Board") since at least 1955, and was Chairman of the Board for all times relevant to these Findings and Conclusions. Ryan retired from Greater Boston's Board in or about December of 1991.

b. In or about November of 1986, Greater Boston made a loan to Elie Jammal ("Jammal") in the amount of \$1,452,000. The proceeds of that loan were to be used by Jammal to acquire an 18 unit condominium complex at 191-193 Bunker Hill Street, Charlestown, Massachusetts ("Hampshire House").

c. In or about October of 1987, Greater Boston made a loan to Jammal in the amount of \$900,000. The proceeds of that loan were to be used by Jammal to acquire an 8 unit condominium complex at 356-360 Main Street and 3 Essex Street, Charlestown, Massachusetts ("Essex Towers").

d. Between August of 1985 and December of 1989, Greater Boston made several other loans to Jammal (collectively "other loans"), including:

(i) a loan of \$212,000 to acquire property at 16

Hutchison Road, Arlington, Massachusetts;

(ii) a loan of \$175,000 to acquire property at 185 Great Road, Bedford, Massachusetts; and

(iii) a loan of \$600,000 part of which was used to acquire property at 166-172 Prospect Street, Cambridge, Massachusetts, and 1143-1155 Commonwealth Avenue, Allston, Massachusetts.

e. Ryan, while Chairman of Greater Boston, also was a fifty percent partner in the John J. Ryan Insurance Agency (the "Insurance Agency") in Brighton, Massachusetts. Between August of 1985 and December of 1991, the Insurance Agency sold property insurance to Jammal on the Hampshire House, Essex Towers and other properties purchased with financing by Greater Boston.

f. The Insurance Agency received approximately \$6,963 in commissions, in connection with the insurance it provided Jammal on Hampshire House, Essex Towers, and the other loans.

g. Ryan never formally informed Greater Boston's Board that he was providing insurance to Jammal on properties financed by Greater Boston, although some of the Directors were generally aware that Jammal was a customer of the Insurance Agency. As a member of the Board, Ryan was present for and did not recuse himself from the votes approving the Hampshire House loan, Essex Towers loan, and the other loans made to Jammal by Greater Boston.

h. Ryan placed himself in a position that created a conflict of interest, or the appearance of a conflict of interest, and thereby engaged in an unsafe or unsound practice in connection with Greater Boston, by permitting the Insurance Agency to sell insurance to Jammal on properties being financed by Greater Boston. The Insurance Agency received financial gain of approximately \$6,963, as a result of this unsafe or unsound practice.

4. Finality. The Order is issued pursuant to 12 U.S.C. § 1818(b). Upon its issuance by OTS, the Order shall be final, effective and fully enforceable by OTS pursuant to 12 U.S.C. § 1818(i).

5. Waivers. Pursuant to this Stipulation, Ryan hereby waives:

a. His rights to a hearing, all post-hearing proceedings, and the entry of findings of fact and conclusions of law under the Administrative Procedure Act, 5 U.S.C. §§ 554-557; 12 U.S.C. § 1818(e); OTS Rules of Practice and Procedure in Adjudicatory Proceedings, 12 C.F.R. § 509, et seq. (1995); or any other applicable provision of law;

b. His right to appeal the Order pursuant to 12 U.S.C. § 1818(h), or any other applicable provision of law; and

c. His right to any and all claims for fees, costs or expenses from the government relating to this OTS enforcement matter and the Order, including any claims under the Equal Access to Justice Act, 5 U.S.C. § 504, and under 28 U.S.C. § 2412.

6. Indemnification. Ryan agrees that he will not seek or obtain indemnification of the restitution required by the Order, and any payments received for such restitution shall be returned to Greater Boston. This is without prejudice to any other indemnification claim that Ryan may have against Greater Boston in connection with this matter.

7. Other Governmental Actions Not Affected. Pursuant to this Stipulation Ryan hereby agrees that the Order is intended solely for the purposes of settling and resolving OTS's claims against him, as provided by paragraph 1 of this Stipulation, and does not release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, claims, charges against, or liabilities that arise in connection with his former affiliations with Greater Boston, or any affiliate thereof, and that may be or have been brought by any other government agency or entity other than OTS.

8. Miscellaneous. Pursuant to this Stipulation, Ryan hereby agrees:

a. The construction and validity of this Stipulation and the Order shall be governed by the laws of the United States of America, and the section and paragraph headings shall not affect the interpretation of this Stipulation or the Order.

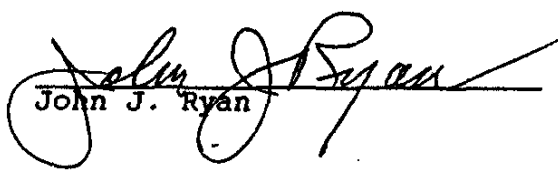
b. All references to OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors and assigns.

c. This Stipulation and the Order represent the final written agreement of the parties with respect to the subject matters set forth in paragraph 3 above, and constitute the sole agreement of the parties with respect to such subjects.


d. To cooperate with OTS by providing truthful and complete information, upon request, concerning matters relating to OTS's investigation of the affairs of Greater Boston, including, but not limited to, cooperation in any subsequent administrative enforcement action that OTS may bring against others affiliated with Greater Boston.

WHEREFORE, in consideration of the foregoing, John J. Ryan executes this Stipulation and Consent to Issuance of an Order to Cease and Desist Order for Affirmative Relief, pursuant to which he agrees to be legally bound.

Agreed to:


John J. Ryan

Accepted by: OFFICE OF THRIFT SUPERVISION


Angelo A. Vigna
Regional Director
Northeast Region

Dated:

Aug 4, 1995.

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In the Matter of
JOHN J. RYAN,
Former Chairman of the
Board of Directors of
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Re: NE95-10

Dated: September 5, 1995

ORDER TO CEASE AND DESIST

WHEREAS, John J. Ryan ("Ryan")
of Directors of Greater Boston Bank
("Greater Boston"), has executed a
Issuance of an Order to Cease and Desist
("Stipulation");

WHEREAS, Ryan in the Stipulation has consented and agreed to
the issuance of this Cease and Desist Order for Affirmative Relief
("Order"), pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Director of the Office of Thrift Supervision
("OTS") has delegated to the Regional Directors of OTS the
authority to issue Orders on behalf of OTS where Respondents have
consented to the issuance of the Orders; and

WHEREAS, on the basis of the consent evidenced in the Stipulation and without any adjudication on the merits, NOW THEREFORE, IT IS ORDERED that in the event Ryan becomes an institution-affiliated party (within the meaning of 12 U.S.C. § 1813(u)) of a Federally insured depository institution ("institution") he shall:

1. Comply with all laws, rules and regulations with respect to the conduct of the affairs of the institution, and not commit, or aid and abet any unsafe or unsound practice in connection with the institution.

2. Fulfill his fiduciary duties to such institution, including but not limited to his fiduciary duties of loyalty, candor, and care.

3. Comply with the internal policies and procedures of the institution regarding conflicts of interest, consistent with 12 C.F.R. § 571.7, or any successor regulations.

4. Avoid placing himself in a position that creates, or that leads to or could lead to, a conflict of interest or the appearance of a conflict of interest with the institution.

5. Abstain from voting, or otherwise participating in the approval by the institution of any transaction that involves his personal financial interests, including any corporation, business,

partnership, or other entity that he owns or controls, directly or indirectly.

6. Annually disclose to the board of directors of the institution all loans, investments, partnership interests, stock ownership, and other business relationships that he has outstanding with any person or entity that is a customer of the institution, and cause such disclosure to be recorded in the corporate records of the institution.

7. Obtain the written advice of counsel whenever he is presented with a potential conflict of interest situation involving the institution and is uncertain about his duties and responsibilities under this Order.

8. Comply with the provisions cited herein, to the extent that any of the provisions apply to any of the entities listed in 12 U.S.C. § 1818(b)(9).

9. Provide a copy of the Stipulation and this Order to the institution or other entity listed in 12 U.S.C. § 1818(b)(9) prior to accepting an offer of employment from such institution.

IT IS FURTHER ORDERED that Ryan shall pay Greater Boston the amount of Six Thousand Nine Hundred and Sixty-three Dollars (\$6,963). Payment shall be made by a bank draft to Greater Boston within thirty (30) days of the date of this Order. Notice of payment, including a photocopy of the bank draft, shall be

provided to Gerard S. Poliquin, Esquire, Office of Enforcement,
Office of Thrift Supervision, 1700 G Street, N.W., Washington,
D.C. 20552.

IT IS FURTHER ORDERED that all technical words or terms used
in this Order, for which meanings are not specified or otherwise
provided by the provisions of this Order shall, insofar as
applicable, have meaning as defined in the Code of Federal
Regulations, Title 12, Chapter V, or as defined in Federal Deposit
Insurance Act, Financial Institutions Reform, Recovery and
Enforcement Act, or the Home Owners' Loan Act, and any such words
or terms undefined in the foregoing shall have meanings that
accord with the best customs and usage in the thrift industry.

By:



Angelo A. Vigna
Northeast Regional Director
Office of Thrift Supervision